

CALHOUN COUNTY
PROCEEDINGS OF THE
BOARD OF COMMISSIONERS

September 21, 2006

The Regular Session of the Calhoun County Board of Commissioners convened at 7:00 p.m., Thursday, September 21, 2006 in the Commissioners' Meeting Room, County Building, Marshall, Michigan.

Roll Call: Present: Comrs. Bolger, Miller, Moore, Segal, Solis, Strowbridge and Todd.

INVOCATION AND PLEDGE OF ALLEGIANCE:

A Moment of Personal Prayer was observed; followed by the Pledge of Allegiance, led by Comr. Strowbridge.

APPROVAL OF AGENDA/ADDENDUMS:

“Motion by Comr. Segal, supported by Comr. Bolger, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the September 21, 2006 agenda and addendums as presented.”

Voice Vote: Motion CARRIED

APPROVAL OF MINUTES:

“Motion by Comr. Todd, supported by Comr. Moore, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the August 17, 2006 Special Session and Regular Session minutes as presented.”

Voice Vote: Motion CARRIED

CITIZENS' TIME:

Community Action Agency Chief Executive Officer Nancy McFarland advised that Calhoun County has a population of 134,000 of which 14 percent live at or below the poverty level, and that of that 14 percent, 5 percent do not speak English in their homes. Ms. McFarland stated that the Agency was founded in 1964 during the war on poverty and addressed the Agency's funding. Ms. McFarland advised that the Agency serves 4 counties focusing on housing, utilities and food programs; and employees over 300 people within the 4 counties, of which 200 of those employees are in Calhoun County.

Ms. McFarland further advised that in Calhoun County the Agency has 8 Head Start sites and owns 5 buildings.

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Ms. McFarland stated that the programs help 475 children in Head Start and provide supplemental food to seniors. Ms. McFarland continued that 1,800 households in Calhoun County were provided with utility assistance.

Ms. McFarland addressed the brochure she presented Board members regarding the Agency's services, and advised that she shall be electronically remitting them some additional information.

Environmental Health Director Ted Havens addressed the proposed Health Department's budget for FY 2006-2007, stating that 2007 shall be a tough year for the Department. Mr. Havens advised that several employees within the Environmental Health Division shall be lost and services will therefore be less due to the loss of those employees. Mr. Havens advised that the staff had an opportunity to review the proposed budget to look for potential savings, however, the extra funds to keep the staff on could not be located. Mr. Havens stated that the staff is not happy with the budget; however that it is probably the best that can be done and it is balanced, therefore, the staff will have to live with it.

Battle Creek Nursing Clinic Co-Director Dr. Philip Ptacin advised that he supports the Health Department's proposed budget. Dr. Ptacin stated that the Nursing Clinic has been involved in making the Clinic as cost effective as possible.

International Union of Operating Engineers President Jennifer Trudeau advised that the Union has received the budget, and even though positions within the Union will be lost, the Union realizes that the loss is inevitable. Ms. Trudeau advised that it has come to her attention, however, that the Health Department's Finance Department shall be removed and the function moved to the county. Ms. Trudeau encouraged the Board not to eliminate the Finance Department pointing out that the two positions within that Department generate revenue for the Health Department; further, that the services provided by the two positions are not duplicated anywhere else within the county and directly relate to all the public health departments. Ms. Trudeau addressed the employees that would be losing their positions, pointing out that they would be losing their seniority and pensions. Ms. Trudeau further pointed out that the budget has already eliminated a billing position within the Environmental Health Division. Ms. Trudeau requested the Board approve the budget and leave the two Finance Department positions in place.

Mr. Jerry Keller, Battle Creek resident, stated that two or three weeks ago he read an article within the newspaper stating that the Health Department would be "cutting" 16 to 17 positions, while adding 3 positions; and now he notes that only 6 to 7 positions are proposed to be eliminated.

SPECIAL ORDER OF BUSINESS:

Calhoun County Youth Council Member Introductions

Council Chairperson Segal introduced new Council Members Robert McFletcher, Sarah Willits, Madeline Smith, James Huebschman, Georgette Newman, Andrew Jung and Tyesha Evans-Bonner. Comr. Segal advised

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that the other two Members, Ryan Bean and Takuto Sato, had previous commitments tonight.

Comr. Segal advised that the Council will have a training session this Saturday at 4:00 p.m.

CONSENT AGENDA:

Res. 145-2006

“Motion by Comr. Segal, supported by Comr. Todd, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the following September 21, 2006 Consent Agenda, as amended, with correction of Calhoun County Youth Council appointment terms to expire December 31, 2007:

A. Resolutions:

(1) Calhoun County Youth Council Appointments
(Terms Expire December 31, 2007)

- {a} Robert McFletcher
- {b} Sarah Willits
- {c} Ryan Bean
- {d} Madeline Smith
- {e} James Kenneth Huebschman
- {f} Georgette Newman
- {g} Andrew Jung
- {h} Tyesha Evans-Bonner
- {i} Takuto Sato

(2) Calhoun County Hospital Finance Authority Appointment
(Term Expires January 1, 2008)

- {a} Pam Kline -- Replacing James Latham”

Voice Vote: Motion CARRIED

SPECIAL COMMITTEE/WORKSHOP/BOARD REPORTS:

Legislative Liaisons

Liaison Chairperson Segal advised that the Legislative Liaisons met this evening to “take up” a resolution received from a constituent of Commissioner Solis’ district.

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Comr. Solis advised that the resolution which came from the senior and minority populations supports proposed legislation against mortgage fraud in Michigan. Comr. Solis stated that often people enter into mortgage transactions not knowing all of the facts and can be easily taken advantage of. Comr. Solis thanked Robina Leach for bringing the proposed legislation to the Board's attention.

Res. 146-2006

“Motion by Comr. Segal, supported by Comr. Todd, resolved by the Calhoun County Board of Commissioners adopt the following:

WHEREAS, because many people of all ages have been or are now being pressured into mortgage contracts designed to deprive them of their property, not to help them as claimed; and

WHEREAS, because a disproportionate share of these families are senior citizens, or belong to minority groups, or both; and

WHEREAS, because the Federal Bureau of Investigation reports that in Michigan, mortgage fraud losses alone jumped from \$9 million in 2003 to \$26 million in 2005; and

WHEREAS, because State Representatives Rick Baxter of Concord, Fran Amos of Waterford, and Jim Marleau of Lake Orion have introduced a set of bills in our state legislature to:

1. Make mortgage fraud a felony incurring a maximum of ten years in prison for one misrepresentation on one property (and/or maximum fine \$50,000) or twenty years for one or more misrepresentations on two or more properties (and/or maximum fine \$100,000) [HB 6432, amending 1931 PA 328, and HB 6433, amending 1927 PA 175; both passed and sent to Senate 9/19/06]
2. Make fraudulent appraisal (appraising a recently bought property at too high a level so that it can be resold at or near the fraudulent amount) a misdemeanor incurring a maximum of three years in prison (and/or maximum fine \$5,000) [HB 6434, amending 1980 PA 299; passed and sent to Senate 9/19/06]
3. Subject coercion or inducement to appraise fraudulently to a potential civil fine, potential license suspension/revocation/non-renewal, and/or restitution requirement for each instance [HB 6435, amending 1987 PA 173; passed and sent to Senate 9/19/06]
4. Enable victims of mortgage fraud to sue for restitution under consumer protection laws [HB 6436, amending 1976 PA 331; passed and sent to Senate

9/19/06]

5. Enable the Michigan Attorney General to use the Real Estate Enforcement Fund in mortgage fraud cases, not merely to prosecute unlicensed real estate activity [HB 6267, amending 1979 PA 152; passed and sent to Senate 9/19/06]; and

WHEREAS, because this grave problem has recently been brought to national attention by the July 2006, Reader's Digest article, "Cheated Out Of House And Home," by Max Alexander, on pages 136 to 142 of that issue, and also a September/October 2006 AARP magazine article, "Sudden Debt," by Barry Yeoman, on pages 78 to 83 and page 101 of that issue.

THEREFORE, BE IT RESOLVED, that We, the Calhoun County Board of Commissioners, at our meeting on September 21, 2006, urge our own state legislators to do all in their power to support these bills and to get them enacted in the current legislature either as they stood at the second reading or in stronger form; and

BE IT FURTHER RESOLVED, that We urge every local governing body in Calhoun County and every local governing body in Michigan to pass a similar resolution and send it to the lawmakers in their areas; and

BE IT FINALLY RESOLVED, that We urge everyone to be on guard against mortgage fraud and appraisal fraud."

Voice Vote: Motion CARRIED

PETITIONS AND NEW BUSINESS:

County Administrator/Controller's Report

FY 2006-2007 Child Care Fund Annual Plan and Budget

County Administrator/Controller Greg Purcell advised that the FY 2006-2007 Child Care Fund Program shall provide combined funding of \$5.8 Million.

Family Court Administrator Michael Boltz advised that annually the Court must develop and submit the Child Care Fund Plan and budget for the funding of foster care services as required by statute and Michigan Department of Human Services' requirements. Mr. Boltz stated that programs that qualify for 50 percent matching funds include the Juvenile Home, Child Care, Aftercare Services, Intensive Supervision and Institutional Child Care. Mr. Boltz pointed out that the budget presented is somewhat higher than submitted within the Court's budget whereby the Court can capture full reimbursement.

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Res. 147-2006

“Motion by Comr. Strowbridge, supported by Comr. Bolger, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the 2006-2007 Child Care Fund Annual Plan and Budget as presented; further, authorize the Board Chairman to execute the Plan documents on behalf of Calhoun County, and the necessary budget adjustments once all the documents are approved and executed by the Michigan Department of Human Services.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Adoption of New County Policy No. 232 - Corporation Counsel

Mr. Purcell stated that the policy establishes how to request legal services and procedures should there be a conflict of interest or need for more expertise.

Res. 148-2006

“Motion by Comr. Segal, supported by Comr. Bolger, resolved by the Calhoun County Board of Commissioners adopt the following:

WHEREAS, the Calhoun County Board of Commissioners appointed a Corporation Counsel effective April 1, 2006; and

WHEREAS, a policy was drafted to define county officials use of this office.

NOW, THEREFORE, BE IT RESOLVED, that the Calhoun County Board of Commissioners adopt Corporation Counsel Policy No. 232, effective September 21, 2006.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Amendment of Board Resolution No. 237-2005 - Employees’ Defined Benefit
Retirement Plan Amendment

Mr. Purcell advised that the budgetary impact of amending the resolution which pertains to amendments to the Defined Benefit Retirement Plan is a savings of the \$10,000 Internal Revenue Service (I.R.S.) filing fee.

Assistant County Administrator Wendee Woods requested the Board amend the resolution approved in December 2005 that amended the Employees’ Defined Benefit Retirement Plan advising that the recommended amendment would change the time period in which employees may purchase additional credit for prior service to a two to three month window; and would change the requirement of obtaining a favorable private letter ruling

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from the I.R.S., which requires a \$10,000 filing fee, to obtaining a written tax opinion letter. Ms. Woods advised that Attorney Jeff DeVree wrote the opinion presented after he discovered that securing the I.R.S. private letter ruling would cost \$10,000 and that the average waiting time for the response would be 18 months. Ms. Woods advised that the I.R.S. has issued another favorable ruling on this issue and Atty. DeVree is comfortable with moving ahead.

Res. 149-2006

“Motion by Comr. Strowbridge, supported by Comr. Moore, resolved by the Calhoun County Board of Commissioners adopt the following amendment to Board Resolution No. 237-2005:

WHEREAS, by prior resolution of the Board of Commissioners a joint committee representing the Board of Commissioners, the Circuit, District and Probate Courts, and certain groups of County-funded employees was formed for purposes of considering possible modifications to the current Calhoun County Defined Benefit Pension Plan; and

WHEREAS, this committee has worked diligently to consider numerous options to meet the needs of a diverse employee population in a fiscally responsible way; and

WHEREAS, this committee has concluded its work, and the proposed amendments have been discussed with representatives of all of the groups of County-funded employees and embraced by the vast majority of those representatives and employees.

NOW, THEREFORE, BE IT RESOLVED, that the Calhoun County Defined Benefit Pension Plan shall be amended, effective January 1, 2006, to provide for the following changes:

Enhanced benefit multiplier: Employees participating in the enhanced portions of the Plan will earn benefits based on a 2% multiplier for years beginning after 2005.

Enhanced maximum benefit: Employees participating in the enhanced portions of the Plan will be eligible for a maximum single life annuity benefit at regular retirement age equal to 60% of Final Average Compensation.

Purchase of additional credited service: Employees participating in the enhanced portions of the Plan shall be given a **two to** three-month window during 2006 to purchase additional credit for prior service, subject to the restriction that earned and purchased service cannot exceed 2% for every year of actual employment by Calhoun County and the Circuit, District and Probate Courts, and provided further that such purchase shall be permitted only after issuance of a **written tax opinion letter** ~~private letter ruling from the Internal Revenue Service~~. The costs of such purchases shall be actuarially determined and paid solely by the employee making the purchase.

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Employer contribution: The Employer's contribution to the Plan on behalf of employees participating in the enhanced portions of the Plan will be 7.0% of Compensation.

Employee contribution: The contribution to the Plan on behalf of employees participating in the enhanced portions of the Plan will be the remainder actuarially determined to be necessary to fund the Plan on a fiscally sound basis.

Mandatory participation: Except for certain employees in a bargaining unit which has voted to not participate in the enhanced portions of the Plan, all employees participating in the Plan prior to January 1, 2006, and all employees hired or re-hired after December 31, 2005, shall participate in the enhanced portions of the Plan as a condition of employment.

Elective participation: Employees not already participating in the Plan shall be given a one-time opportunity to elect to participate in the amended Plan starting January 1, 2006, which election shall be irrevocable.

IT IS FURTHER RESOLVED, that the County Administrator is authorized and directed to promptly arrange for preparation of an amended Plan document and such other documents as may be necessary and appropriate to implement the changes contemplated by this Resolution; and

IT IS FURTHER RESOLVED, that the County Administrator is authorized and directed to promptly obtain an actuarial determination of the anticipated 2006 employee contribution requirement to the Plan, utilizing the same assumptions as have been used over the past year, but updated to reflect the census of employees who will be participating in the Plan as of January 1, 2006, including those electing to participate in the Plan as amended; and

IT IS FINALLY RESOLVED, that final adoption of the contemplated Plan amendments is conditional upon an actuarial determination that, taking into consideration the participation elections made by eligible employees, the anticipated 2006 employee contribution requirement to the Plan will not exceed 9.50% of the Compensation of employees participating in the enhanced portions of the Plan. If the required contribution is actuarially determined to exceed that amount, the Board will review this Resolution and may take action to rescind it, and in the case of rescission, employee contributions collected on the basis of this Resolution shall be returned, to the individuals from whom they were received."

Comr. Bolger inquired when the actuarials are expected. Ms. Woods responded that the actuarials should arrive sometime within the next two weeks.

Roll call vote: Yes - 7 Motion CARRIED Unanimously

FY 2006-2007 Health Department Budget Adoption

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Mr. Purcell advised that a considerable amount of time was spent in preparing this budget which reflects a reduction of approximately \$1 Million. Mr. Purcell thanked Dr. Mitchell and the other members of the Board of Health.

Health Board Member Jeffrey Mitchell stated that the Board of Health had to make some very hard decisions in this tough economic time. Dr. Mitchell advised that the Board of Health conducted two evening sessions and listened to the employees, and is presenting a balanced budget which includes the Battle Creek Nursing Clinic.

Health Officer Dottie-Kay Bowersox advised that approximately \$90,000 shall be coming from the fund balance to fund the Battle Creek Nursing Clinic. Ms. Bowersox addressed projected revenues, pointing out the \$1 Million decrease, and programs that will be affected; e.g., Network for Young Children, Environmental Health, HCAP, Teen Parenting, Emergency Preparedness, Radon Reduction, Family Planning, Health Disparities and United Way Health Disparities. Ms. Bowersox further addressed increased program costs.

Ms. Bowersox advised of additional expenses; e.g., \$84,000 fund balance utilization included within the 2005-2006 original budget, \$17,000 in fee increases which did not materialize in the 2005-2006 budget, an estimated \$100,000 in county administration for 2006-2007, \$45,000 for salary increases for 2006-2007, and \$246,000 of cumulative expenses.

Ms. Bowersox addressed possible budget opportunities; e.g., an estimated savings of \$10,500 with modification of County Policy No. 415, \$94,000 of FIMR funding, \$24,000 of Tobacco Reduction funding; and fee increases of four percent annually for three years that will be proposed in November 2006, which could produce an estimated \$15,000 for the 2006-2007 budget year. Ms. Bowersox further advised that the Department is looking into consolidation of services within the buildings, and that throughout the year the Department shall be reviewing the budget which shall be implemented October 1.

Res. 150-2006

“Motion by Comr. Moore, supported by Comr. Strowbridge, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the FY 2006/2007 Calhoun County Public Health Department budget, as recommended by the Board of Health.”

Chairman Miller stated that this budget has been the Health Department’s most difficult and time consuming. Chairman Miller advised that the Nursing Clinic is changing in its role and relationship to the Health Department and that at the end of the fiscal year there will be an opportunity to present and implement a plan to transition the Clinic into its new role.

Comr. Bolger advised that he cannot support increasing the fees for service, and requested that the Department and the Board of Health review whether there is a way to do business more efficiently whereby the citizens and lead employees are not impacted.

Comr. Moore advised that he shall be supporting approval of the budget and thanked the Board of Health for

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all of their hard work. Comr. Moore stated that it was heartening to hear the union members and Department staff say that they support the budget while not liking it. Comr. Moore also voiced concern regarding the proposed fees increase of four percent over the next three years, however, advised that he shall wait for information regarding such prior to passing judgement. Comr. Moore stated that any fee increases should be reflective of the actual costs of providing service, therefore, he shall be expecting the Department to justify how costs for services have gone up.

Comr. Segal inquired whether an evaluation process shall be put forward. Ms. Bowersox responded yes, advising that the Department will provide progress reports throughout the year with the first regarding HCAP in one month.

Comr. Todd inquired regarding the Network for Young Children Program. Ms. Bowersox stated that the Department was a subcontractor for the Program. Ms. Bowersox advised that the Kellogg Foundation turned the Program back to the community and funding could not be secured, therefore, the Program will be concluded.

Chairman Miller advised that he will support the budget in large part because of the way the Nursing Clinic will be seen in its transition, however, that he does not agree with some of the reorganization and believes that there could have been some different choices. Chairman Miller stated that as the fiscal condition of the county looks bleaker there will be consequences to the personnel employed by the county which will cut services that are available to the community.

Roll call vote: Yes - 7 Motion CARRIED Unanimously

August 2006 Financial Statements

Interim Finance Director Pam Kline reported that there is still a net decrease in the General Fund of \$1,717,434. Ms. Kline advised that revenues are creeping up as the property tax revenue comes in, however, that some of the revenue was used for a third payroll in August.

Ms. Kline further advised that expenditures appear to be moving on target. Ms. Kline stated that the county is still waiting for jail bed rental revenue at the higher rate.

FY 2005-2006 Health Department Budget Amendments

Mr. Purcell advised that the budget amendments presented were approved by the Board of Health at its August 21 meeting.

Ms. Bowersox stated that the amendments are standard housekeeping items to balance out the budget line items for the close of the fiscal year.

Res. 151-2006

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“Motion by Comr. Strowbridge, supported by Comr. Moore, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the FY 2005/2006 Calhoun County Public Health Department budget amendments (ATTACHMENT A), as recommended by the Board of Health.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

Health Department’s 2006-2007 Comprehensive Planning, Budgeting and Contract Agreement

Mr. Purcell advised that the grant is in the amount of \$1.5 Million and represents a reduction of \$120,000 from the previous year.

Ms. Bowersox advised that Corporation Counsel has reviewed the agreement.

Res. 152-2006

“Motion by Comr. Segal, supported by Comr. Strowbridge, adopt the following: Resolved by the Calhoun County Board of Commissioners approve the FY 2006/2007 Calhoun County Public Health Department Comprehensive Planning, Budgeting and Contract Grant Agreement, as recommended by the Board of Health.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

CITIZENS’ TIME:

Mr. Gardy Berezonsky, Marengo Township resident, pointed out that at the Board’s budget meeting there had been discussion regarding privatization of services. Mr. Berezonsky suggested the county privatize security services provided at the Justice Center, advising that other counties privatize those services.

COMMISSIONERS’ TIME:

Comr. Todd expressed his condolences to Mr. Joe Fulton who recently lost his Father, and also Mr. Dennis Wilson who recently lost his only son in an accident. Comr. Todd stated that he shall be praying for both of them.

CLAIMS PAYABLE LISTINGS:

Res. 153-2006

“Motion by Comr. Moore, supported by Comr. Todd, adopt the following: Resolved by the Calhoun County Board of Commissioners approve payment of the list of claims against the

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county in the total amount of \$2,149,681.03 for the week of September 7, 2006; further, approve payment of the list of claims against the county in the total amount of \$4,592,557.33 for the week of September 12, 2006.”

Roll call vote: Yes - 7 Motion CARRIED Unanimously

RECESS:

The meeting recessed at 8:10 p.m. at the call of the Chair.

mlb